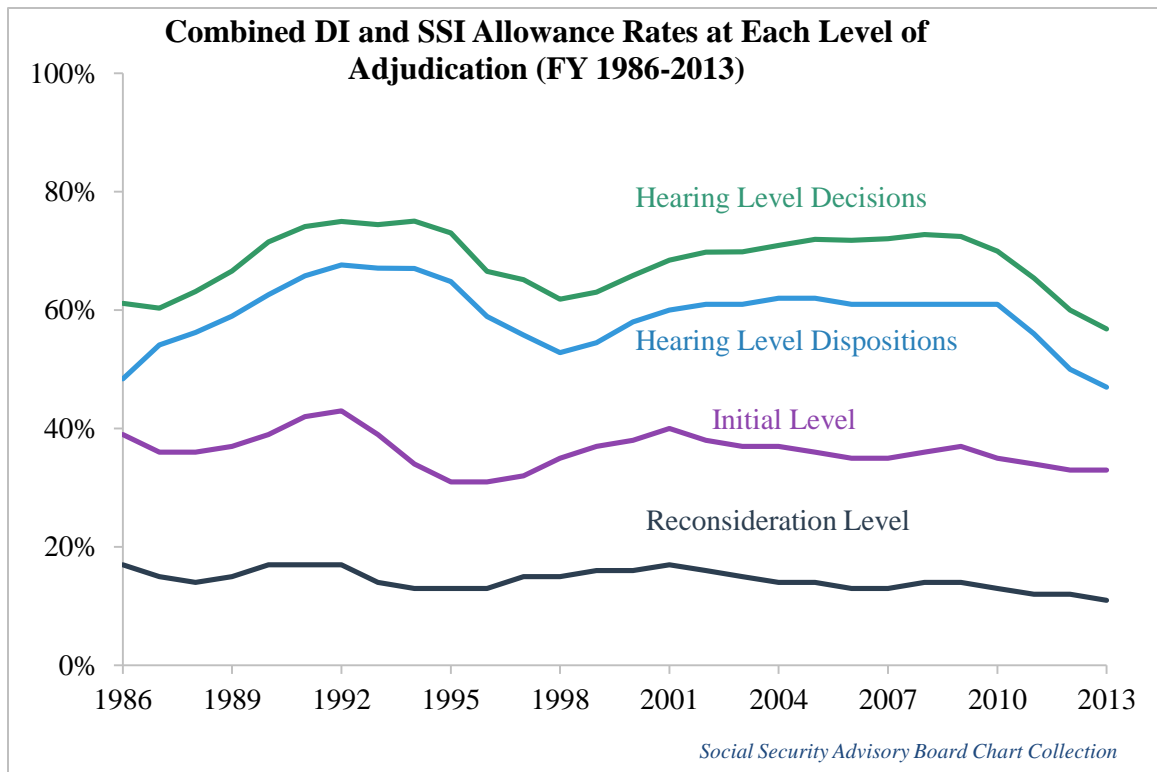


# Chapter 2: Allowance Rates for Disability Applications

Social Security Advisory Board



# Chart 1: Combined DI and SSI Allowance Rates



In the last 27 years, the percentage of claims adjudicated at the hearing level that are allowed has been considerably higher than the percentage allowed by the State agencies at the initial level. The allowance rates for both levels have shown large variations, sometimes moving in tandem, sometimes not. The Process Unification Rulings of 1996, that provided adjudicators at every level of the process with the same decision-making standards, could explain why the hearing level and initial level gap narrowed slightly between 1996 and 1998.

The allowance rate at the hearing level includes all forms of Social Security and SSI cases reaching the hearing level, but the vast majority involves disability issues. It also includes decisions by ALJs and for some years, senior attorneys. (Senior attorneys did not adjudicate cases in all years shown in the charts.) The light blue line shows allowance rates as a percentage of dispositions. These allowance rates include dismissals, i.e., cases disposed of without a hearing, usually because the claimant's request for a hearing was not filed timely or the claimant did not appear for the hearing. The green line, on the other hand, shows allowance rates as a percentage of decisions, which excludes dismissals.

## Sources:

### Initial & Recon Level:

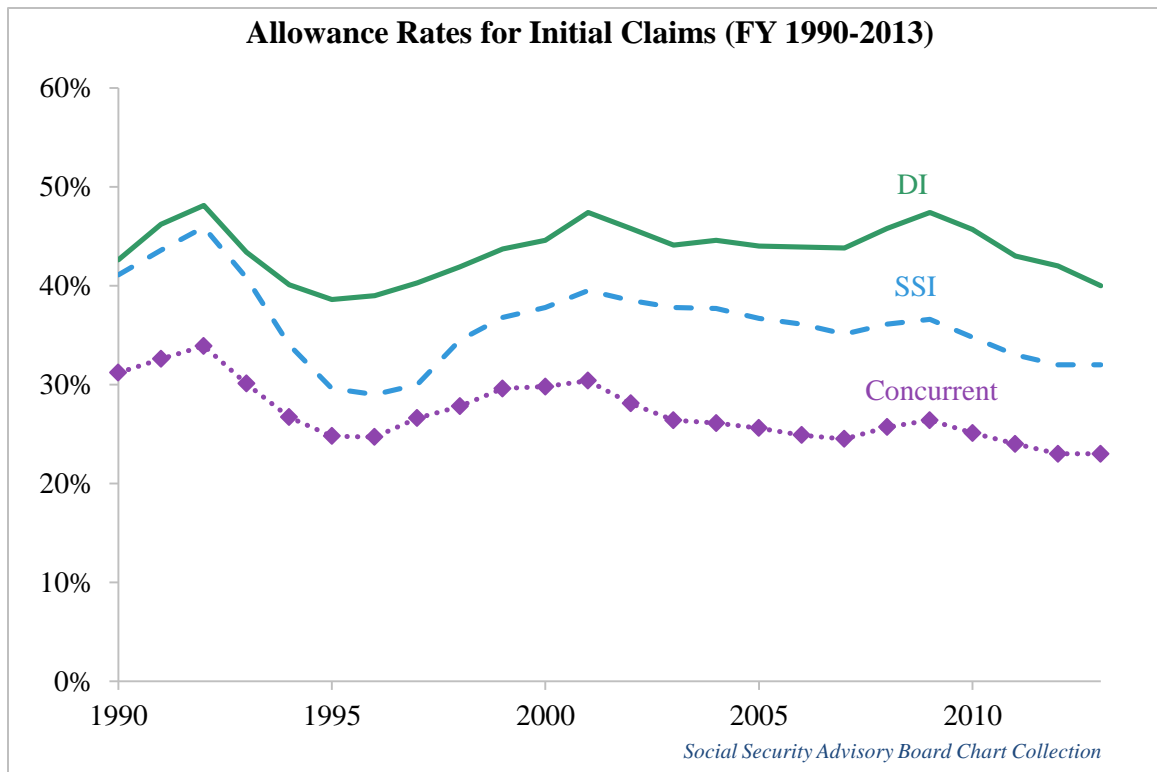
U.S. Social Security Administration, Office of Disability Programs, data last received November 2015.

### Hearing Level:

U.S. Social Security Administration, Office of Disability Adjudication and Review (decisional allowance data from Key Workload Indicator Reports (KWI), last updated Sept 2015.

**Note:** Figures for the hearing level include those involving Social Security retirement and SSI aged issues, but not Medicare. The vast majority involve disability issues.

## Chart 2a: Allowance Rates at the Initial Level



The percentage of DI, SSI, and concurrent applications allowed by State agencies at the initial level grew between 1996 and 2001. The increase in allowance rates at the initial level during this period has been attributed to a number of factors, including the impact of the 1996 Process Unification Rulings, policy clarification and changes, and extensive training for SSA adjudicators on impairments affecting children. After a period of declining allowance rates, by 2009 DI allowance rates returned to the level they had reached in 2001, but began to decline again in 2010.

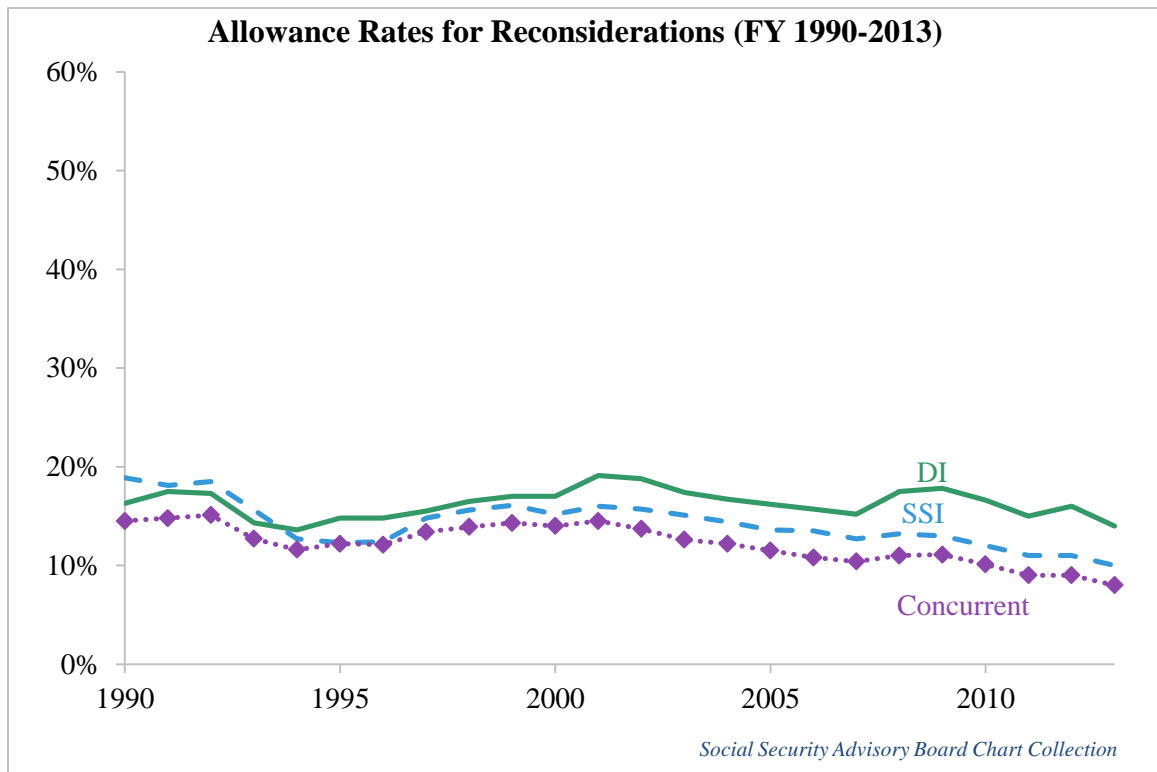
SSA introduced a revised process known as the “prototype” in fiscal year 2000 in 10 States, under which initial denials could be appealed directly to the hearing level without having to go through the usual next step of reconsideration. This could account for the decline in allowance rates for reconsiderations after 2000.

**Source:**

U.S. Social Security Administration, Office of Disability Programs, data last received November 2015.

**Note:** A revised process was introduced on October 1, 1999 in 10 States where initial denials could be appealed directly to the hearing level without a reconsideration.

## Chart 2b: Allowance Rates at the Reconsideration Level



The percentage of DI, SSI, and concurrent applications allowed by State agencies at the Reconsideration level grew between 1996 and 2001. The increase in allowance rates at the Reconsideration level during this period has been attributed to a number of factors, including the impact of the 1996 Process Unification Rulings, policy clarification and changes, and extensive training for SSA adjudicators on impairments affecting children. After a period of declining allowance rates, by 2009 DI allowance rates returned to the level they had reached in 2001, but began to decline again in 2010.

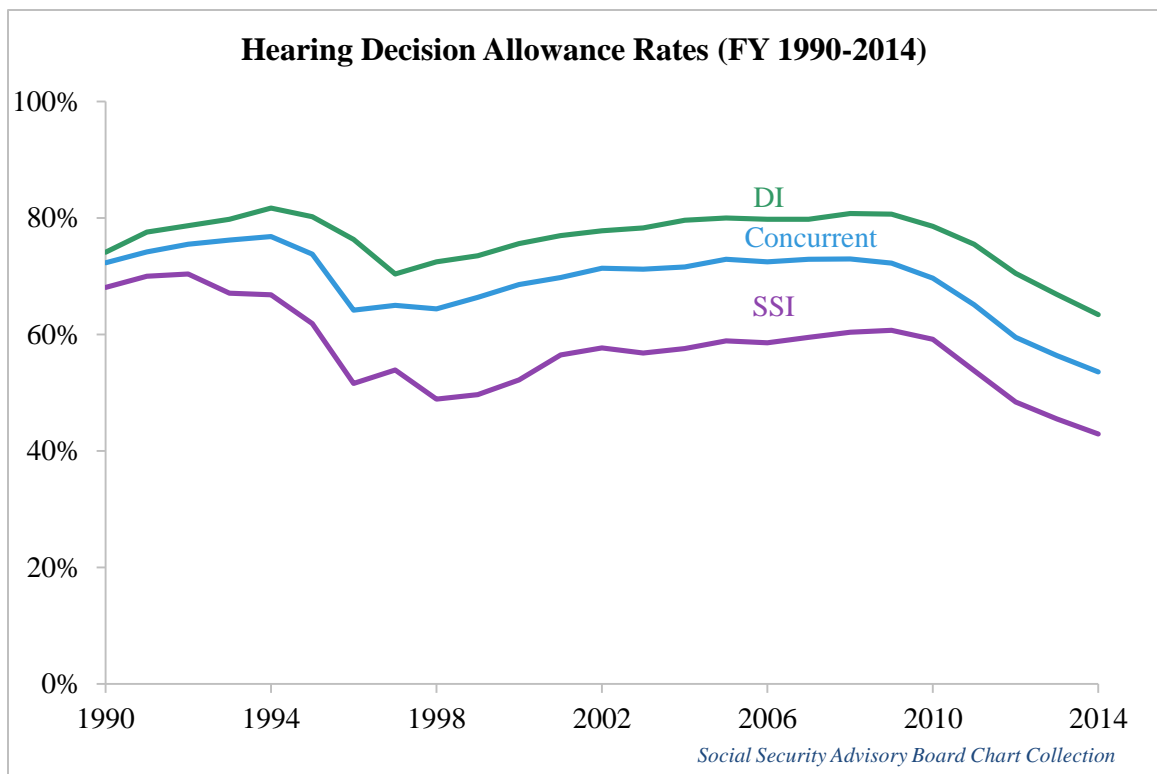
SSA introduced a revised process known as the “prototype” in fiscal year 2000 in 10 States, under which initial denials could be appealed directly to the hearing level without having to go through the usual next step of reconsideration. This could account for the decline in allowance rates for reconsiderations after 2000.

**Source:**

U.S. Social Security Administration, Office of Disability Programs, data last received November 2015.

**Note:** A revised process was introduced on October 1, 1999 in 10 States where initial denials could be appealed directly to the hearing level without a reconsideration.

### Chart 3: Allowance Rates at the Hearing Level



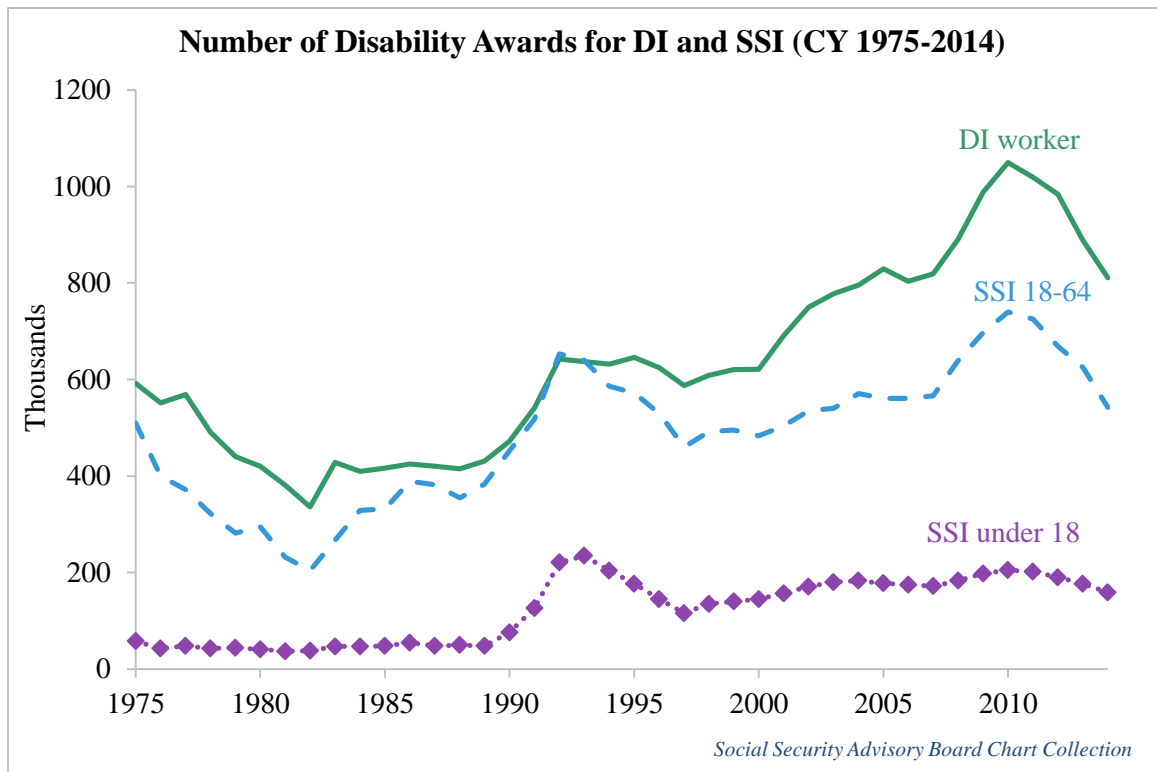
ALJ hearing decision allowance rates fell in the period 1995 to 1998, but they have generally risen steadily since that time. Allowance rates for SSI claimants have consistently been lower than for DI claimants. The rates shown here are the percentage of hearing decisions, excluding dismissals.

In 1996, SSA issued a set of nine Social Security Rulings that dealt with issues such as the weight to be given to treating source opinions and other medical opinions, the evaluation of pain and other symptoms, the assessment of credibility and residual functional capacity, and the application of Federal court decisions. These Rulings, which are binding at all levels of adjudication, may account for the increase in allowance rates in the late 1990s.

**Source:**

U.S. Social Security Administration, Office of Disability Adjudication and Review, *Key Workload Indicator Reports*, updated data received June 2015.

## Chart 4a: DI and SSI Disability Awards



The number of DI worker and SSI disability awards has increased greatly since 1982. SSA issued a set of Social Security Rulings at that time, which provided guidance for the first time on a range of complex adjudication issues. In 1985, a major revision to the mental impairment listings was published. Some of the increase in awards may be attributed to these policy clarifications and changes.

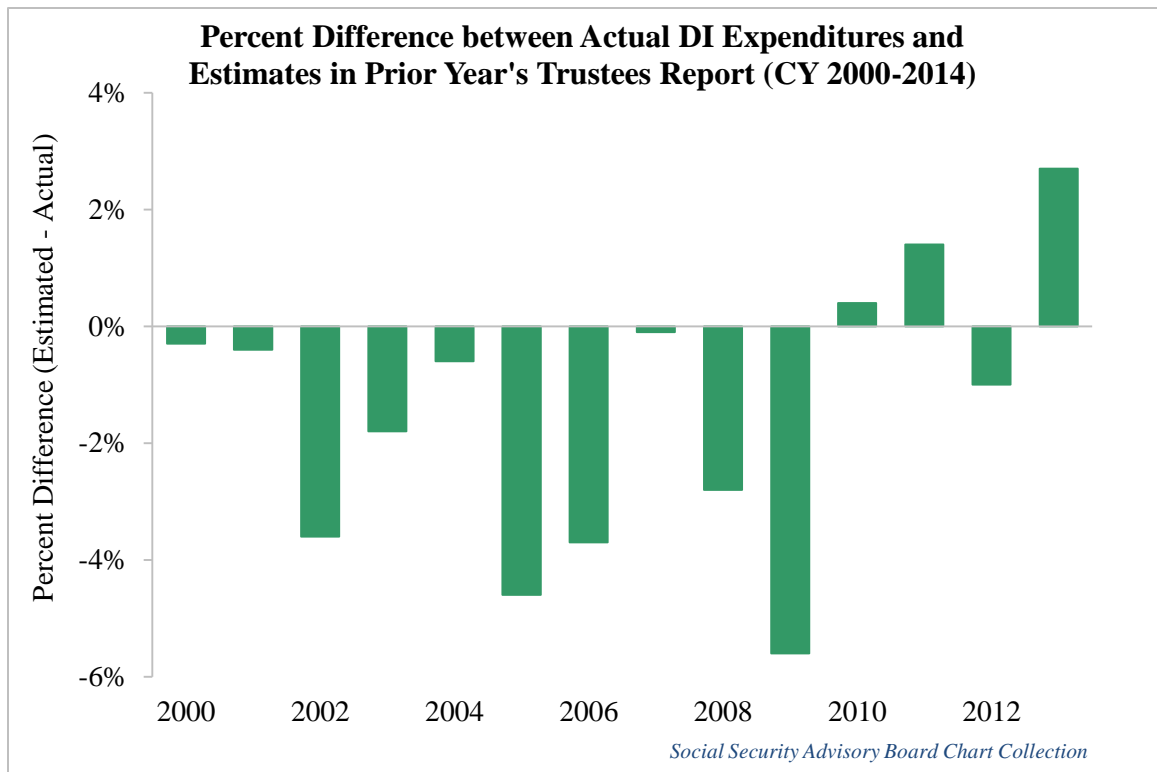
Awards declined slightly in the mid-1990s but have risen since then, increasing sharply for adult categories since 2008. This increase in awards corresponds to the increase in the number of applications filed for those years and can be at least partially ascribed to the economic recession that began in 2007 and to the aging baby boomers, but is consistently in excess of the projections contained in the Trustees Report, as shown in Chart 4b.

### Source:

U.S. Social Security Administration, Office of Retirement and Disability Policy, *Annual Statistical Supplement, 2015*, table 6.C7, December 2015, <https://www.ssa.gov/policy/docs/statcomps/supplement/2015/6c.html#table6.c7>

U.S. Social Security Administration, Office of the Chief Actuary, *Annual Report of the SSI Program, 2015*, table IV.B2, August 2015, <https://www.ssa.gov/oact/ssir/SSI15/ssi2015.pdf>

## Chart 4b: Actual and Estimated DI Expenditures



A number of factors contribute to differences between estimates and subsequent actual amounts, including: (1) actual values for key demographic, economic, and other variables that differ from earlier assumed levels; and (2) legislation that was enacted or other administrative initiatives that were finalized after the Trustees completed their estimates.

At the end of calendar year 2013, the OASDI program was providing monthly benefits to about 58.0 million people. The OASI Trust Fund was providing benefits to about 47.0 million people and the DI Trust Fund was providing benefits to about 11.0 million people. The number of people receiving benefits from the OASI and DI Trust Funds grew by 2.4 percent and 0.9 percent, respectively, during the calendar year. This growth reflects increases in the insured population and the gradual aging of the population.

**Source:**

U.S. Social Security Administration, Office of the Chief Actuary, *OASDI Trustees Reports 2001-2014*, Table III.A6, or III.A4

## Chart 5: DI Worker Incidence Rates



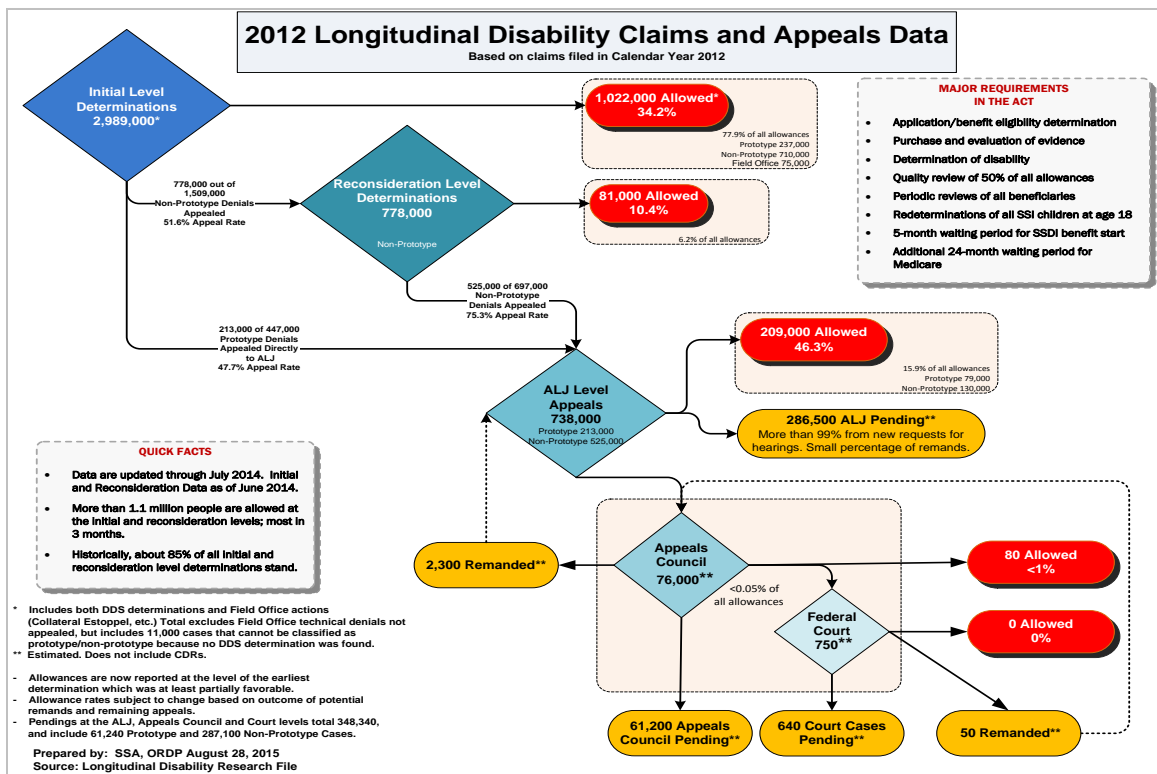
The incidence rate is the ratio of the number of awards in a year to the average number of disability insured workers who are not receiving benefits. The incidence rate is a common indicator of the status of the disability system. This chart shows the gross incidence rate for DI benefits. The DI gross incidence rate stood at 4.4 per thousand in 1980 and fell to a low of 3.4 per thousand in 1982. It rose again to 5.4 per thousand in 1992 and fell to 4.7 in 1997. Since then, it has risen to its highest level at 7.4 per thousand in 2010 before beginning to decline.

The factors accounting for the upward trend over the years include demographic changes, policy changes, and the changing cycles of unemployment that have occurred over time.

**Source:**

U.S. Social Security Administration, *2015 OASDI Trustees Report*, Table for Figure V.C3,  
[http://www.ssa.gov/oact/TR/2015/LD\\_figVC3.html](http://www.ssa.gov/oact/TR/2015/LD_figVC3.html)

## Chart 6: Outcomes of Disability Claims



This chart prepared by SSA shows the outcomes of disability applications filed in 2012, the most recent year for which nearly complete data are available. There were 1,022,000 disability applications allowed at the initial determination level with an additional 81,000 disability applications allowed after being reconsidered at the State agencies. The State agencies thus accounted for 80 percent of all allowances of claims filed in 2012.

About 1,103,000 claims were allowed at the initial and reconsideration levels, which represented about 37 percent of all disability applications. The allowance rate was higher at the hearing level (46.3 percent), but because of the smaller volume of cases at that level, it accounted for only 16 percent of all allowances.

### Source:

U.S. Social Security Administration, Office of Retirement and Disability Policy, Longitudinal Disability Research File, August 28, 2015.